

4-Time Winner  
**National RV Park of the Year**  
National Association of RV Parks & Campgrounds

2009-2010 Winner  
**Plan-It Green Award**  
National Association of RV Parks & Campgrounds

10-Time Winner  
**Best of the Beach**  
Sun News Reader's Choice Awards



**FAMILY CAMPGROUND**

November 11, 2013

247658  
2006  
**Governor's Cup Winner**  
SC Department of Parks, Recreation & Tourism

3-Time Winner  
**Premier Recreation Operation**  
Resort and Commercial Recreation Association

6-Time Winner  
**Campground of the Year**  
Myrtle Beach Herald Reader's Award

The Honorable Jocelyn D. Boyd  
Public Service Commission of South Carolina  
101 Executive Center Dr., Suite 100  
Columbia, SC 29210

Subject: Ocean Lakes Utility, L.P. System ID #2660048  
Request for Modification of its Tariff for Wastewater Service and Rate Adjustment  
Horry County, South Carolina

Dear Ms. Boyd:

Ocean Lakes Utility, L.P. (Ocean Lakes) is a public utility within the meaning of S.C. Code Ann §58-5-10 providing water and sewer service to residential and commercial customers in Horry County. Pursuant to the authority set out in S.C. Code Ann. Section 58-5-240(G), Ocean Lakes herewith requests that it be permitted to modify the terms of its rate schedule for sewer service. See Attachment A. The purpose of this pass-through is to allow a simple procedure for increasing the rates for sewer service to Ocean Lakes customers in the identical amount of any increase in the wholesale rate charged to Ocean Lakes by Grand Strand Water & Sewer Authority (GSWSA).

Ocean Lakes presently serves 2605 sewer customers in Horry County. The Public Service Commission of South Carolina issued Ocean Lakes' current service rates in DOCKET NO. 93-469-W/S, ORDER NO. 93-1063 on December 9, 1993. Ocean Lakes has not requested any adjustments to its rate structure since the original filing in 1993.

Ocean Lakes purchases all of its wastewater treatment service as a wholesale customer of GSWSA. On March 11, 2013, GSWSA notified Ocean Lakes that a new increase in Ocean Lakes' wholesale wastewater rate would become effective on their July 1, 2013 sewer billing to Ocean Lakes. A copy of the GSWSA notice is attached as Attachment B. The new rate to Ocean Lakes is \$3.00 per thousand gallons, which is a 3.4% increase over their previous rate of \$2.90. Ocean Lakes' current approved sewer rate to its customers is \$1.49 per thousand gallons which is \$1.51 per thousand gallons (101%) below the GSWSA wholesale rate.

To avoid the high cost to pursue a comprehensive rate case to adjust Ocean Lakes' rate to a more equitable position that reflects all of Ocean Lakes' current costs, we respectfully request that the Commission issue an order that allows the 12/9/1993 – 7/1/2013 increase of \$1.51 per thousand gallons and any prospective GSWSA wastewater increases to be issued as a pass through to our customers. If approved, the \$1.51 increase will be implemented over the next two years with a \$.76 increase on July 1, 2014 and the remaining \$.75 starting July 1, 2015. Any subsequent increases from GSWSA during that time would also be passed through to our customers. If the Commission issues an order granting this request, Ocean Lakes estimates that a full rate case would not be necessary for a few more years.

6001 South Kings Hwy., Myrtle Beach, SC 29575  
PHONE: (843) 238-5636 • RESERVATIONS: (800) 722-1451 • FAX: (843) 238-1890 • EMAIL: [info@oceanlakes.com](mailto:info@oceanlakes.com)  
**www.oceanlakes.com**

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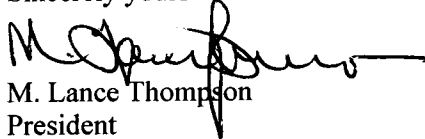
S.C. Code Ann. §58-5-240.(G) provides, as follows:

(G) Notwithstanding the provisions of this section, the Commission may allow rates or tariffs to be put into effect without a hearing upon order of the Commission when such rates or tariffs do not require a determination of the entire rate structure and overall rate of return, or when the rates or tariffs do not result in any rate increase to the public utility, or when the rates or tariffs are for experimental purposes.

Accordingly, the Applicant, Ocean Lakes, respectfully submits this request for a modification of language in its tariff and approval of the request to increase the rate for wastewater to all classes of customers in the amount of \$1.51 per thousand gallons (the identical amount of the increase in the Utility's cost of wholesale wastewater treatment service imposed by GSWSA) without a hearing as outlined herein.

Thanking you for your consideration of this request, we are

Sincerely yours



M. Lance Thompson  
President

cc: Courtney Dare Edwards, Esquire  
Office of Regulatory Staff  
Enclosures

## **Attachment A**

Ocean Lakes Utility, L.P. (Ocean Lakes) purchases its wastewater treatment service from Grand Strand Water & Sewer Authority (GSWSA), as a wholesale customer. From time to time, GSWSA increases the price of wastewater treatment service sold to Ocean Lakes and to other wholesale customers. Whenever, GSWSA increases the price of wastewater treatment service sold to Ocean Lakes, the following billing adjustment shall be made by Ocean Lakes to its customer rates:

### **1. Billing Adjustment**

In the event that GSWSA adjusts (whether an increase or decrease) the unit price per 1,000 gallons, the following billing adjustment practice would apply:

(a) If the unit price is adjusted, the cost change per 1,000 gallons would be passed through to Ocean Lakes' customers as an adjustment in like amount to the consumption charge on their sewer bill.

Example: The unit price of purchased wastewater treatment service is increased by two cents per 1,000 gallons. The consumption charge on Ocean Lakes' customer's bill would reflect a two cent per 1,000 gallon increase.

### **2. Notification**

Any pass through billing adjustment shall not be billed until the following conditions are met:

(a) Ocean Lakes shall furnish the Public Service Commission of South Carolina satisfactory proof of the basis for the adjustment and the billing method to be utilized prior to its proposed effective date.

(b) Ocean Lakes shall furnish written notice to the customers affected by the Purchased Sewer Service Adjustment advising them of the basis for the billing adjustment and its effective date.



P.O. Box 2368 • Conway, SC 29528-2368  
www.gswsa.com

March 11, 2013

Mr. Lance Thompson  
Ocean Lakes Utilities, LP  
6001 S. Kings Hwy  
Myrtle Beach, SC 29575-4935

Re: Account Number: 02000800-00

Dear Lance:

We will present our budgets and proposed rates to our Board of Directors on April 4<sup>th</sup> and 5<sup>th</sup> during our annual Planning Retreat. Since Ocean Lakes' rates change effective July 1, 2013, we wanted to provide you this information in order for you to plan your upcoming budgets. Listed below are Ocean Lakes' current rates, rates we are proposing for fiscal year 2014, and rates we are projecting for the fiscal year 2015.

(Rates per 1,000 gallons)

|            | <u>Current</u> | <u>July 1, 2013</u> | <u>July 1, 2014</u> |
|------------|----------------|---------------------|---------------------|
| Water      | \$1.30         | \$1.53              | \$1.53              |
| Wastewater | \$2.90 ✓       | \$3.00              | \$3.05              |

Although these rates do include an increase, GSWSA is working diligently to keep rates as low as possible. Wholesale water and wastewater sales have remained down over the last two years. This reduction in flows as well as the increase in the costs of power, chemicals, fuel and other expenses has impacted our budget. Due to the decrease in flows and cost increases, we have taken measures internally to offset rate increases by holding expenses down as much as possible for the upcoming two-year budgets.

Upon approval of our Board of Directors in June, the above rates will be effective July 1, 2013. Although the fiscal year 2015 rates are projected, these are our targets, which we intend to meet barring any unforeseen circumstances.

We appreciate the opportunity to provide water and sewer service to Ocean Lakes Utilities. If you have any questions please feel free to contact me at 443-8225.

Sincerely,

Marguerite S. Carroll  
Chief Financial Officer

C: Customer File  
Jill Nelson  
Sylvia Hardee  
Susan Jones